

**Minnesota Department of Public Safety  
Office of Justice Programs (OJP)**

***Calculating Federally Approved Indirect Cost Amounts***

Use the following steps to determine how much of your Federal & State allocations should be allocated to your indirect costs line using your federally approved indirect cost rate. The figures you determine here will be used on your [Request to Include a Federally Approved Indirect Cost Rate](#) form

- 1) \*Base = (Direct Costs - Excluded Direct Costs\*\*)  
\*Base = (Grant Award - Excluded Direct Costs\*\*) / (1 + Indirect Cost Rate)

\*\*Excluded Direct Costs are detailed in the \*Base listed in “Section I: Rates” of your Indirect Cost Negotiation Agreement and not included in the figure for which you calculate the amount of indirect costs you can charge to your grant.

*Example:*

*Grant Award: \$500,000*

*Federally Approved Indirect Cost Rate: 15.84%*

*Excluded Direct Costs (as determined by your \*Base) = \$69,000*

$$*Base = (\$500,000 - \$69,000) / (1.1584) = \$372,065$$

- 2) \*Base X Indirect Cost Rate = Indirect Cost \$

*Example:*

$$\$372,065 \times .1584 = \$58,935$$

- 3) Check math: \*Base + Excluded Direct Costs + Indirect Cost \$ = Grant Award

*Example:*

$$\$372,065 + \$69,000 + \$58,935 = \$500,000$$

- 4) Allocate Indirect Cost \$, Excluded Direct Costs and \*Base Proportionately Between Federal & State

*Example:*

*Your \$500,000 grant award consists of \$350,000 (70% of grant) in Federal VOCA & \$150,000 (30% of grant) in State funding.*

- 1) Indirect costs make up 11.787% of your total grant award (\$58,935/\$500,000 = .11787)*
- 2) Multiply your Federal VOCA allocation by 11.787% to get the amount of indirect costs you should budget to Federal VOCA (\$350,000 X .11787 = \$41,255)*
- 3) Multiply your State allocation by 7.8364% to get the amount of indirect costs you should budget to State (\$150,000 X .11787 = \$17,680)*
- 4) Your \$69,000 in excluded direct costs need to be split between Federal VOCA and State proportionately.*

- a.  $\$69,000 \times .70 = \$48,300$  in Federal VOCA.  
 b.  $\$69,000 \times .30 = \$20,700$  in State.
- 5) Your  $\$391,818$  \*Base needs to be split between Federal VOCA and State proportionately.  
 a.  $\$372,065 \times .70 = \$260,445$  in Federal VOCA  
 b.  $\$372,065 \times .30 = \$111,620$  in State

Example [Request to Include a Federally Approved Indirect Cost Rate](#) form based on a 15.84% federally approved indirect cost rate and \$69,000 in excluded direct costs:

Please note-

- a. The % of Federal VOCA & State for \*Base and Total Excluded Costs proportionately matches the Federal VOCA & State allocations of the Grant Award (70%/30%).  
 b. The federally approved indirect cost rate is budgeted under Federal VOCA & State at the same rate (15.84%).

ENTER ORGANIZATION NAME HERE		Enter information in cells highlighted in yellow		
Row	Budget Category	VOCA	State	Total
1	Personnel	\$200,000.00	\$111,620.00	\$311,620.00
2	Payroll Taxes & Fringe	\$0.00	\$0.00	\$0.00
3	Office & Program Expenses	\$20,445.00	\$0.00	\$20,445.00
4	Travel & Training	\$20,000.00	\$0.00	\$20,000.00
5	Contract Services	\$20,000.00	\$0.00	\$20,000.00
6	Building Expenses	\$0.00	\$0.00	\$0.00
7	Equipment	\$0.00	\$0.00	\$0.00
8	Direct Client Assistance	\$0.00	\$0.00	\$0.00
9	Other Expenses (minus Indirect Costs)	\$0.00	\$0.00	\$0.00
10	<b>*Base (Total Direct Costs minus Excluded Direct Costs)</b>	<b>\$260,445.00</b>	<b>\$111,620.00</b>	<b>\$372,065.00</b>
11	VOCA/State % of Base	70%	30%	100%
12	<b>Total Excluded Direct Costs (Direct Costs not included in *Base)</b>	<b>\$48,300.00</b>	<b>\$20,700.00</b>	<b>\$69,000.00</b>
13	VOCA/State % of Total Excluded Direct Costs	70%	30%	100%
14	<b>Total Indirect Costs</b>	<b>\$41,255.00</b>	<b>\$17,680.00</b>	<b>\$58,935.00</b>
15	<i>Federally Approved Rate: Same % of VOCA &amp; State</i>	15.84%	15.84%	15.84%
16	<b>Grant Award Totals</b>	<b>\$350,000.00</b>	<b>\$150,000.00</b>	<b>\$500,000.00</b>
17	VOCA/State % of Grant Award	70%	30%	100%